

Approved 10/22/18

Village of Elm Grove
Finance and Licensing
Budget Workshop
October 18, 2018

Present: George Haas, Patty Kujawa, Pat Kressin, Martha Kendler, and Glen Porter.
Also Present: Monica Hughes, Dave De Angelis, Sarah Muench, Thomas Harrigan, Jerod Mikkelsen, Richard Paul, Mary Stredni, Bonnie Klamik and Mary Inden.

Mr. Haas called the meeting to order at 7:00 pm.

Discussion of Budget

Dave De Angelis started the discussion by reviewing a number of summary points that staff felt were important to bring to the committee attention. The budget prepared as in past years would require a levy of \$6,949,460 an increase of \$89,680 or 1.31% over the 2017 levy. This levy would still be above the state levy limit by \$36,370. The budget was prepared estimating a 10% health insurance increase. The village received notice today the increase would be 4.5%. Per our request our broker went back to our carrier and asked for it to be reduced to 3%. We received word just prior to the meeting that they were willing for our commitment to remain with them. These changes have not yet been incorporated into the budget but are estimated to save the village approximately \$30,000.

Mr. De Angelis noted that per the board direction staff included a monetary amount of \$500,000 for pathways in the capital budget and this would increase the levy by \$100,000 or \$0.09 per \$1,000 of value. The Village would be able to do this using an allowable adjustment factor to the state levy limit. The committee discussed this at length and asked for more specific board direction on pathways and other future large capital projects. Trustee Haas will bring this up at next week's board meeting under finance.

Mr. De Angelis noted that the sewer budget includes a \$100,000 transfer to stormwater for future green infrastructure projects. These funds were available due to a reduction in our MMSD capital charge because the Village opted out of the MMSD program with the intention of controlling and funding projects at our level.

Mr. De Angelis noted that the capital budget includes 3 projects supported by the board but to be funded with outside funding- donations and debt issuance. These projects do not have an effect on this year's levy but future levies will need to be increased to make payments on this debt. Staff is currently looking at different financing options.

The committee began to review the budget detail starting with departments

Library and Library Gift Fund

Sarah Muench and Bonnie Klamik were present to discuss and answer questions on the library budgets. It was noted there was little change in the library operating budget. Crossover lending revenue has increased slightly each year. The library gift fund is supported by donations and overseen by the library board. The Village does not budget for this fund but it is included in our financial statements.

Public Works

Richard Paul was present to discuss and answer questions on the budget. It was noted that salaries show a decrease of 2% which is attributed to a transfer of maintenance employees wages to general government. Current employee wages throughout the budget include a 2% increase. Fuel prices have been budgeted at \$3.25 per gallon as compared to \$2.75 in 2018. The increase also represents additional gallons used as we are seeing in this year's records. The paving budget was increased to \$180,000 for

2019 as compared to past budgets of \$160,000. Victoria's Circle is planned to be repaved in 2019 and this is the budgeted cost, we will be receiving grant revenue from the DOT for this project of approximately \$22,000 and this is shown in revenue for 2019. The planned project for 2018 was the eastern section of Watertown Plank Road pathway. This project was expanded to include the western half and moved to 2019. The department is doing road cracksealing and patching this fall. Unused funds in the paving budget will be transferred to the capital budget to help finance the pathway in 2019. Salt prices include an increase of \$9.00 per ton.

Solid Waste

This budget incorporates the cost for our contract with John's Disposal and the yard waste facility. It is supported by the user fee which will decrease slightly as we have seen a saving in landfill costs as recycling increases. The user fee is expected to be \$236.50 as compared to this year's fee of \$238.24.

Forestry

It was noted that the budget includes an additional \$5000 for tree removal. Mr. Haas noted that we are increasing the removal but not tree planting. The committee discussed the need to keep up with the ash tree removal, the manpower needed to maintain newly planted trees and the completion of the tree inventory which will provide more information. It was noted that the committee will be asked at next Monday's finance meeting to allocation \$5,000 of 2018 contingency funds for additional ash tree removal this fall/winter.

Sewer

The sewer budget was reviewed again noting the transfer to stormwater for green infrastructure. The budget includes additional funds to replenish the funds used in 2016 for large construction project done with Brookfield on Pilgrim Road. The 2019 budget includes funds for the designing a plan to stabilize the Underwood Creek. It is expected that this will lead to a future sewer reconstruction project. The Village is completing its PPII investigation on current areas of Squires Grove. At this time no additional funds are available for investigative work but it is anticipated that we will have funds available in the future for repairs. Mr. De Angelis noted that the projects that have been completed under this program have been successful.

Stormwater

The budget was reviewed. Next year includes project costs for NR216 planning which has begun in 2018. Total project costs are estimated to be \$98,000 and will be supported by a 50% grant which is reflected in 2019 stormwater revenue. This year the Village will be completing restoration at the area near Tonawonda which is supported by reimbursement grants from a number of organizations.

Debt

The debt budget was reviewed noting that there is only the stormwater management debt outstanding and a small annual payment to Waukesha County for the radio infrastructure. The current debt payments are supported by the stormwater utility fee and the TIF increment. The final debt payment will be in 2025. The TIF increment is currently not large enough to support its annual debt so funds are being advanced from debt and general fund. After the final payment these advances are expected to be reimbursed by 2028. The TIF needs to close by 2031. At the completion of the final bond payment in 2025 the stormwater user fees would be available to fund other stormwater projects.

General Review

Monica Hughes reviewed the general summary pages of the budget pointing out specifics to note. General fund revenues were then reviewed noting 9% decrease in expenditure restraint revenue from the state, the new aid to be received for personal property which is now tax exempt and the local road grant funds to be received in 2019. Interest earnings are budgeted to increase providing additional revenue to

offset the levy. Cell tower revenue has decreased slightly as the industry has seen a consolidation of carriers. Our current leases have escalating clauses which offset some of the small cancelations. The recreation budget including revenue will be reviewed at next week's workshop.

General Government Expenditures

Monica Hughes reviewed the general government budget. The wage increase reflects the transfer of maintenance employee wages as discussed in the public works budget. The assessor costs include the additional fee for software updates. This year's legal costs are up due to costs associated with the ATT litigation. The wildlife and deer management lines reflect small increases but 2018 actual expenses were much higher than other recent years. Specific dollars were not budgeted for this same level but contingency funds may be needed if the village again has this level of deer management. A letter was provided to the committee from the business association and Mary Inden was present at the meeting to discuss. It was noted that no funds were included in this year's budget for the business association projects the same as the 2018 budget. The association is requesting that the village again support these projects. There was discussion but no decision as the budget still needs to be reduced to come into compliance with levy limits.

Inspections

The last area scheduled for review at the evening meeting was inspections. The expenditure budget is directly tied to estimated revenues. The Village contracts with Safebuilt for these services and pays them 65% of fee revenue received for residential inspections. The contract with Safebuilt was re-written within the last 3 years and at that time Village staff investigated area communities to insure that our fees and payment for the inspection services were appropriate.

The committee again discussed the pathways and other capital projects in the future. The committee would like direction from the board on the finance committee's role and clearer understanding of board priority.

Other Business

Pat Kressin noted that he will not be available for the 10/25/18 budget workshop.

Adjournment

Patty Kujawa and Martha Kendler moved and seconded to adjourn at 8:45pm. Motion carried 5-0.

Respectfully,
Monica L. Hughes